



## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the third quarter ended  
**September 30, 2017**

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## GENERAL INFORMATION

The following is TFI International Inc.'s management discussion and analysis ("MD&A"). Throughout this MD&A, the terms "Company" and "TFI International" shall mean TFI International Inc., and shall include its independent operating subsidiaries. This MD&A provides a comparison of the Company's performance for its three- and nine-month periods ended September 30, 2017 with the corresponding three- and nine-month periods ended September 30, 2016 and it reviews the Company's financial position as of September 30, 2017. It also includes a discussion of the Company's affairs up to October 26, 2017, which is the date of this MD&A. The MD&A should be read in conjunction with the unaudited condensed consolidated interim financial statements for the period ended September 30, 2017, and the audited consolidated financial statements and annual MD&A for the fiscal year ended December 31, 2016.

In this document, all financial data are prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All amounts are in Canadian dollars, and the term "dollar", as well as the symbols "\$" and "C\$", designate Canadian dollars unless otherwise indicated. Variances may exist as numbers have been rounded. This MD&A also uses non-IFRS financial measures. Refer to the section of this report entitled "Non-IFRS Financial Measures" for a complete description of these measures.

The Company's unaudited condensed consolidated interim financial statements have been approved by its Board of Directors ("Board") upon recommendation of its audit committee on October 26, 2017. Prospective data, comments and analysis are also provided wherever appropriate to assist existing and new investors to see the business from a corporate management point of view. Such disclosure is subject to reasonable constraints for maintaining the confidentiality of certain information that, if published, would probably have an adverse impact on the competitive position of the Company.

Additional information relating to the Company can be found on its website at [www.tfiintl.com](http://www.tfiintl.com). The Company's continuous disclosure materials, including its annual and quarterly MD&A, annual and quarterly consolidated financial statements, annual report, annual information form, management proxy circular and the various press releases issued by the Company are also available on its website or directly through the SEDAR system at [www.sedar.com](http://www.sedar.com).

## FORWARD-LOOKING STATEMENTS

The Company may make statements in this report that reflect its current expectations regarding future results of operations, performance and achievements. These are "forward-looking" statements and reflect management's current beliefs. They are based on information currently available to management. Words such as "may", "could", "should", "would", "believe", "expect", "anticipate" and words and expressions of similar import are intended to identify these forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical results and those presently anticipated or projected.

The Company wishes to caution readers not to place undue reliance on any forward-looking statements which reference issues only as of the date made. The following important factors could cause the Company's actual financial performance to differ materially from that expressed in any forward-looking statement: the highly competitive market conditions, the Company's ability to recruit, train and retain qualified drivers, fuel price variations and the Company's ability to recover these costs from its customers, foreign currency fluctuations, the impact of environmental standards and regulations, changes in governmental regulations applicable to the Company's operations, adverse weather conditions, accidents, the market for used equipment, changes in interest rates, cost of liability insurance coverage, downturns in general economic conditions affecting the Company and its customers, and credit market liquidity.

The foregoing list should not be construed as exhaustive, and the Company disclaims any obligation subsequently to revise or update any previously made forward-looking statements unless required to do so by applicable securities laws. Unanticipated events are likely to occur. Readers should also refer to the section "Risks and Uncertainties" at the end of this MD&A for additional information on risk factors and other events that are not within the Company's control. The Company's future financial and operating results may fluctuate as a result of these and other risk factors.

## SELECTED FINANCIAL DATA AND HIGHLIGHTS

<i>(unaudited)</i> <i>(in thousands of dollars, except per share data)</i>	Third quarters ended		Nine months ended	
	September 30		September 30	
	2017	2016	2017	2016
Revenue before fuel surcharge	1,048,185	897,448	3,222,833	2,668,042
Fuel surcharge	106,258	78,012	335,715	219,432
Total revenue	1,154,443	975,460	3,558,548	2,887,474
Adjusted EBITDA from continuing operations <sup>1</sup>	128,193	113,791	383,464	314,408
Operating income from continuing operations <sup>1</sup>	60,547	69,257	176,954	179,548
Net income	98,774	51,503	37,796	594,240
Net income from continuing operations	98,774	51,069	37,796	110,672
Adjusted net income from continuing operations <sup>1</sup>	48,843	53,483	137,926	136,782
Net cash from operating activities from continuing operations	128,912	88,302	256,453	228,093
Free cash flow from continuing operations <sup>1</sup>	197,970	81,341	274,055	190,302
Per share data				
EPS – diluted	1.07	0.55	0.41	6.18
EPS from continuing operations – diluted	1.07	0.54	0.41	1.15
Adjusted EPS from continuing operations – diluted <sup>1</sup>	0.53	0.57	1.50	1.42
Free cash flow from continuing operations <sup>1</sup>	2.20	0.88	3.02	2.01
Dividends	0.19	0.17	0.57	0.51
As a percentage of revenue before fuel surcharge				
Adjusted EBITDA margin <sup>1</sup>	12.2%	12.7%	11.9%	11.8%
Depreciation of property and equipment	5.0%	3.6%	5.0%	3.6%
Amortization of intangible assets	1.5%	1.4%	1.4%	1.4%
Operating margin	5.8%	7.7%	5.5%	6.7%
Operating ratio <sup>1</sup>	94.2%	92.3%	94.5%	93.3%

**Q3 Highlights**

- Total revenue from continuing operations increased by \$179.0 million from Q3 2016, or 18%, to \$1,154.4 million.
- Operating income from continuing operations decreased 13%, or \$8.8 million from the same quarter last year, mainly as a result of weakness in U.S. domestic TL operations.
- Gain on sale of property totalled \$70.1 million in Q3 2017; notably 4 real estate assets were sold for \$135.7 million in an all cash sale and leaseback transaction.
- Net income was \$98.8 million, compared to \$51.5 million in Q3 2016. The increase is mainly due to the gain on sale of property, which was \$59.7 million, net of tax. The diluted earnings per share (diluted "EPS") were up 95% to \$1.07, compared to 55 cents in the prior year period.
- Adjusted diluted EPS from continuing operations<sup>1</sup>, a non-IFRS measure, decreased 7% to 53 cents from 57 cents in Q3 2016.
- The Company's long-term debt decreased by \$173.1 million to \$1,493.6 million.
- The Company returned \$25.6 million to shareholders during the quarter, of which \$17.1 million was through dividends and \$8.5 million through share repurchases. The weighted average number of common shares was 3% lower in this quarter compared to last year's same quarter.
- On September 26, 2017, the Company announced the renewal of its normal course issuer bid ("NCIB") program from October 2, 2017 to October 1, 2018.
- In order to most clearly reflect results from operations, the Company modified the presentation of its statements of income; operating income and all adjusted metrics of profitability now exclude gains or losses on the sale of property and impairment of intangible assets.

**ABOUT TFI INTERNATIONAL****Services**

TFI International is a North American leader in the transportation and logistics industry, operating across the United States, Canada and Mexico through its subsidiaries. TFI International creates value for shareholders by identifying strategic acquisitions and managing a growing network of wholly-owned operating subsidiaries. Under the TFI International umbrella, companies benefit from financial and operational

resources to build their businesses and increase their efficiency. TFI International companies service the following reportable segments:

- Package and Courier;
- Less-Than-Truckload;
- Truckload;
- Logistics.

**Seasonality of operations**

The activities conducted by the Company are subject to general demand for freight transportation. Historically, demand has been relatively stable

<sup>1</sup> Refer to the section "Non-IFRS financial measures".

with the first quarter being generally the weakest in terms of demand. Furthermore, during the harsh winter months, fuel consumption and maintenance costs tend to rise.

### Human resources

The Company has 17,325 employees who work in TFI International's different business segments across North America. This compares to 14,187 employees as of September 30, 2016. The year-over-year increase of 3,138 is attributable to business acquisitions (+3,882) offset by rationalizations affecting 744 employees mainly in the Less-Than-Truckload ("LTL") and TL segments. The Company believes that it has a relatively low turnover rate among its employees in Canada, a normal turnover rate in the U.S., and that its employee relations are very good.

### Equipment

The Company has the largest trucking fleet in Canada and a significant presence in the U.S. market. As at September 30, 2017, the Company had 7,368 power units, 25,105 trailers and 9,647 independent contractors. This compares to 5,348 power units, 17,386 trailers and 10,123 independent contractors as at September 30, 2016. The increases in power units and trailers are due to business acquisitions.

### Terminals

TFI International's head office is in Montréal, Québec and its executive office is located in Etobicoke, Ontario. As at September 30, 2017, the Company had 392 terminals. Of these, 283 are located in Canada, 180 and 103, respectively, in Eastern and Western Canada. The Company also had 97 terminals in the United States and 12 terminals in Mexico. This compares to 369 terminals as at September 30, 2016. In the last twelve months, 58 terminals were added from business acquisitions and

the terminal consolidation decreased the total number of terminals by 35, mainly in the Package and Courier and TL segments. In Q3 2017, the Company closed 11 sites.

### Customers

The Company has a diverse customer base across a broad cross-section of industries with no single client accounting for more than 5% of consolidated revenue. Because of its customer diversity, as well as the wide geographic scope of the Company's service offering and the range of segments in which it operates, a downturn in the activities of individual customers or customers in a particular industry is not expected to have a material adverse impact on the operations of the Company. The Company forged strategic partnerships with other transport companies in order to extend its service offering to customers across North America.

Revenue by Top Customers' Industry (45% of total revenue)	
Retail	32%
Manufactured Goods	16%
Automotive	9%
Services	6%
Food & Beverage	6%
Energy	6%
Metals & Mining	5%
Forest Products	5%
Building Materials	4%
Chemicals & Explosives	3%
Maritime Containers	3%
Others	5%

(As of June 30, 2017)

## CONSOLIDATED RESULTS

*This section provides general comments on the consolidated results of operations. A more detailed analysis is provided in the "Segmented results" section.*

### 2017 business acquisitions

In line with the Company's growth strategy, the Company acquired five businesses during 2017, notably World Courier Ground U.S. ("World Courier Ground"), Cavalier Transportation Services Inc. ("Cavalier") and Les entreprises Dupont 1972 Inc. ("Dupont").

On January 13, 2017, the Company completed the acquisition of World Courier Ground, the U.S. ground transportation division of World Courier. Established in 1983, World Courier Ground is an asset light, time critical courier provider. Operating nationally across the U.S., the company offers same-day courier, rush trucking and warehousing services primarily to the medical industry, as well as to the environmental, financial, chemical and industrial sectors. World Courier Ground management continues to operate the business under the new name TForce Critical.

On January 28, 2017, the Company completed the acquisition of Cavalier. Established in 1979, Cavalier's operations consist of LTL services, brokerage and warehousing. Based in Bolton, Ontario, Cavalier serves corridors primarily between Ontario, Quebec, New York and Illinois.

On May 28, 2017, the Company completed the acquisition of Dupont, a specialty truckload business based on the south shore of Montreal. Dupont is Quebec's leading bulk cement transport company, also serving Ontario, the Maritimes, Labrador and the United States with its expert team and state-of-the-art equipment.

These cash-settled transactions were concluded in order to add density in the Company's current network and further expand value-added services. The five acquired businesses contributed revenue of \$93.5 million in 2017.

### Revenue from continuing operations

TFI International reported a revenue increase from continuing operations mainly as a result of business acquisitions offset by revenue declines in existing operations. For the third quarter ended September 30, 2017, total revenue from continuing operations increased by \$179.0 million, or 18%, to \$1,154.4 million from \$975.5 million in Q3 2016. This increase is mainly due to a \$225.3 million contribution from business acquisitions. Total revenue from existing operations decreased by 5%, or \$46.3 million. This was due to volume decreases of \$39.3 million and a negative currency impact of \$9.6 million offset by

a fuel surcharge increase of \$2.6 million. The average exchange rate used to convert TFI International's revenue generated in U.S. dollars was 4.0% lower this quarter (C\$1.2528) than it was for the same quarter last year (C\$1.3046). With respect to revenue before fuel surcharge from existing operations, increases in the Logistics segment were offset by decreases in the other segments.

For the first nine months of 2017, total revenue from continuing operations increased by \$671.1 million, or 23%, to \$3.56 billion from \$2.89 billion in the same period in 2016. The contribution from business acquisitions of \$697.8 million and higher fuel surcharge was offset by decreases in volumes from existing operations. On a year to date basis, the currency movements had a slight negative impact of \$8.4 million on revenue before fuel surcharge from continuing operations.

### **Operating expenses from continuing operations**

For the third quarter, the Company's operating expenses from continuing operations increased by \$187.7 million, or 21%, from \$906.2 million in Q3 2016 to \$1,093.9 million in Q3 2017. The increase is mainly attributable to business acquisitions for \$233.6 million offset by volume decreases in existing operations.

Excluding business acquisitions, operating expenses decreased by \$45.9 million, or 5%, in line with the revenue decline from existing operations. Particularly, materials and services expenses and personnel expenses decreased respectively 5% and 4%. Other operating expenses, which are primarily composed of costs related to offices' and terminals' rent, taxes, heating, telecommunications, maintenance and security and other general administrative expenses, decreased by 7% as a result of rationalization and terminal optimization achieved in the previous quarters.

For the three-month period ended September 30, 2017, depreciation of property and equipment increased by \$20.2 million. Excluding business acquisitions, depreciation of property and equipment decreased by \$1.7 million, or 5%, as a result of the Company's consistent focus on adjusting capacity to match fluctuations in demand and to optimize capital allocation by using more subcontractors. For the same period, intangible asset amortization increased by \$2.9 million, on a consolidated basis, mainly due to business acquisitions.

The Company recorded lower gains on its recurring sale of rolling stock and equipment compared to last year (Q3 2017 showed a loss of \$0.1 million and Q3 2016 showed a gain of \$2.1 million). The recurring gain that the Company normally generates from its sales of rolling stock and equipment was reduced by losses generated by the fleet renewal plan for CFI during this quarter, which amounted to \$2.7 million. These losses are not expected to continue after the CFI fleet renewal plan is complete.

The operating ratio<sup>1</sup>, a non-IFRS measure, was 94.2% in this quarter, compared to 92.3% for Q3 2016. This ratio was negatively impacted by a lower contribution from the U.S. TL operating segment. Excluding business acquisitions, the operating ratio improved by 40 basis points to 91.9% as a result of strict expense management.

For the nine-month period ended September 30, 2017, operating expenses from continuing operations increased by \$673.7 million, or 25%, from \$2.71 billion in 2016 to \$3.38 billion in 2017. The increase is mainly attributable to business acquisitions for \$715.6 million offset by decreases in volumes from existing operations.

### **Operating income from continuing operations**

For the third quarter, TFI International's operating income from continuing operations decreased by \$8.8 million to \$60.5 million compared to \$69.3 million in 2016 mainly due to an operating loss from business acquisitions of \$8.3 million.

The negative contribution from business acquisitions is mainly attributable to CFI, primarily operating in the challenging U.S. TL market. In addition to the sluggish freight environment, CFI incurred one-time transitional and rebranding costs of \$3.2 million caused by its separation from XPO Logistics, the previous owner. Furthermore, an aggressive replacement program for its rolling stock has been put in place for the next several quarters, resulting in higher equipment relocation expenses. Until the replacement program has been fully implemented, increased maintenance costs for out-of-warranty equipment will continue to impact profitability.

Management's consistent focus on the quality of revenue may have slightly reduced revenue before fuel surcharge, but this strategy in conjunction with cost control benefited the Company. As a percentage of revenue before fuel surcharge, the operating margin from existing operations increased by 40 basis points from 7.7% in last year's Q3 to 8.1%. On a consolidated basis, the operating margin decreased by 190 basis points to 5.8%.

For the nine-month period ended September 30, 2017, TFI International's operating income from continuing operations decreased by \$2.5 million to \$177.0 million compared to \$179.5 million in 2016. The decrease is attributable to an operating loss from business acquisitions of \$17.8 million offset by improvement from existing operations' operating income for \$15.3 million.

### **Gain on sale of property from continuing operations**

The gain on sale of property, which is accounted for in gain or loss on sale of land and buildings and in gain or loss of sale of assets held for sale in the consolidated statements of income, was \$70.1 million in Q3 2017, compared to \$3.2 million in the prior year period. In particular, TFI International unlocked

<sup>1</sup> Refer to the section "Non-IFRS financial measures".

shareholder value with a sale and leaseback transaction on selected real estate assets. The all cash transaction of \$135.7 million, which included two facilities in each of Montreal and Toronto, resulted in a pre-tax gain of \$69.8 million. The group of properties included in the transaction represented less than 20% of the net book value of the Company's total real estate portfolio.

## Impairment of intangible assets from continuing operations

For the nine-month period ended September 30, 2017, impairment of intangible assets was \$143.0 million. The non-cash impairment charges of 2017 were \$13.2 million for an impairment to the Dynamex trade name recorded in the first quarter, and \$129.8 million for a goodwill impairment in the U.S. TL operating segment recorded in Q2 due to a weak performance resulting from downward pricing pressures experienced by the industry as a result of high competitiveness, limited economic activity growth and upward cost pressures adversely impacting operating cost per mile and operating margins.

## Finance income and costs from continuing operations

<i>(unaudited)</i> <i>(in thousands of dollars)</i>	Third quarters ended September 30		Nine months ended September 30	
	2017	2016	2017	2016
Finance costs (income)				
Interest expense on long-term debt	14,453	8,442	43,656	29,270
Interest income and accretion on promissory note	(643)	(639)	(1,913)	(1,722)
Net foreign exchange loss	585	315	2,501	3,317
Net change in fair value of foreign exchange derivatives	(370)	(122)	(1,121)	(1,263)
Net change in fair value of interest rate derivatives	(304)	(3,687)	(558)	8,924
Others	2,905	2,372	5,013	5,090
<b>Net finance costs</b>	<b>16,626</b>	<b>6,681</b>	<b>47,578</b>	<b>43,616</b>

### Interest expense on long-term debt

Interest expense on long-term debt for the three- and nine-month periods ended September 30, 2017 increased by \$6.0 million and \$14.4 million, respectively, mainly due to higher borrowings as a result of the Q4 2016 significant business acquisitions.

### Net foreign exchange gain or loss and net investment hedge

The Company designates as a hedge a portion of its U.S. dollar denominated debt held against its net investments in U.S. operations. This accounting treatment allows the Company to offset the designated portion of foreign exchange gain (or loss) of its debt against the foreign exchange loss (or gain) of its net investments in U.S. operations and present them in other comprehensive income. Net foreign exchange gains or losses recorded in income or loss are attributable to the U.S. dollar portion of the Company's credit facility not designated as a hedge and to other assets and liabilities denominated in foreign currencies. For the three- and nine-month periods ended September 30, 2017, \$14.1 million and \$27.0 million of foreign exchange gains, respectively (\$12.2 million and \$23.4 million net of tax, respectively), were recorded to other comprehensive income as net investment hedge.

### Net change in fair value of derivatives and cash flow hedge

The Company designates, as a hedge of the variable interest rate instruments (credit facility), the interest rate derivatives. Therefore the effective portion of changes in fair value of the derivatives is recognized in other comprehensive income. For the three- and nine-month periods ended September 30, 2017, \$2.3 million and \$3.0 million of gain on change in fair value of interest rate derivatives, respectively (\$1.7 million and \$2.2 million net of tax, respectively), was recorded to other comprehensive income as a change in the fair value of the cash flow hedge.

The Company's derivative financial instruments, which are used to mitigate foreign exchange and interest rate risks, saw their fair values increase by \$3.0 million in Q3 2017, of which \$2.3 million was designated as cash flow hedge, while in the same quarter last year their fair values increased by \$3.8 million. For the nine-month period ended September 30, 2017, their fair values increased by \$4.7 million, of which \$3.0 million was designated as cash flow hedge, compared to a loss of \$7.7 million in the same period in 2016. The derivatives' fair values are subject to market price fluctuations in foreign exchange and interest rates.

### Others

The other financial expenses mainly comprise bank charges, the net change in fair value of the Company's deferred share unit liability and the reclassification to income of gain on investment in equity securities.

## Income tax expense from continuing operations

For the three-month period ended September 30, 2017, the effective tax rate was 13.3%. The income tax expense of \$15.2 million reflects a \$15.4 million favourable variance versus an anticipated income tax expense of \$30.6 million based on the Company's statutory tax rate of 26.8%. The favourable variance is mainly due to variance from non-taxable income, mainly capital gains, of \$8.9 million and to positive differences between the statutory rate and the effective rates in other jurisdictions of \$6.1 million.

For the nine-month period ended September 30, 2017, the effective tax rate was 41.6%. The income tax expense of \$27.0 million reflects a \$9.6 million unfavourable variance versus an anticipated income tax expense of \$17.4 million based on the Company's statutory tax rate of 26.8%. The unfavourable variance is mainly due to the non-tax effected goodwill impairment, which negative variance was \$34.8 million and to tax on multi-jurisdiction distributions, of \$2.4 million, offset by other positive differences between the statutory rate and the effective rates in other jurisdictions of \$17.1 million, and to positive

variance from non-taxable income, mainly capital gains, of \$10.6 million. The more significant favourable variance from effective rates in other jurisdictions is attributable, in part, to the impairment of intangible assets portion attributable to the U.S. operations. Having a higher effective tax rate, this charge reduces the income tax expense in a larger proportion compared to the Company's statutory tax rate of 26.8%.

The table below presents the 2017 income tax reconciliation excluding the non-tax effected goodwill impairment recorded in Q2 2017:

<i>(unaudited)</i> <i>(in thousands of dollars)</i>	<b>Nine months ended September 30, 2017</b>	
	%	\$
Income before income tax		64,767
Goodwill impairment		129,770
Income before goodwill impairment and income tax		194,537
Income tax using the Company's statutory tax rate	26.8%	52,136
Increase (decrease) resulting from:		
Rate differential between jurisdictions	-8.8%	(17,140)
Variation in tax rate	0.1%	170
Non-deductible expenses	1.2%	2,344
Tax exempt income	-5.4%	(10,599)
Adjustment for prior years	-1.2%	(2,320)
Tax on multi-jurisdiction distributions	1.2%	2,379
	13.9%	26,970

### Net income from discontinued operations

As a result of the divestiture of its Waste Management segment, which was completed on February 1, 2016, and the Company's decision to cease its operations in rig moving services in 2015, these two operating segments have been reclassified and presented on a net basis as discontinued operations in the consolidated statements of income and cash flows.

For the three- and nine-month periods ended September 30, 2017, no income from discontinued operations was recorded. Last year, the net income from discontinued operations for the first nine months was \$483.6 million and included a pre-tax gain on sale of the Waste Management segment in the amount of \$559.2 million or \$490.8 million net of tax.

### Net income and adjusted net income from continuing operations

<i>(unaudited)</i> <i>(in thousands of dollars, except per share data)</i>	<b>Third quarters ended September 30</b>		<b>Nine months ended September 30</b>	
	2017	2016	2017	2016
<b>Net income</b>	<b>98,774</b>	51,503	<b>37,796</b>	594,240
Amortization of intangible assets related to business acquisitions, net of tax	<b>9,870</b>	7,701	<b>28,224</b>	23,510
Net change in fair value of derivatives, net of tax	<b>(494)</b>	(2,790)	<b>(1,231)</b>	5,614
Net foreign exchange loss, net of tax	<b>428</b>	230	<b>1,833</b>	2,430
Gain on sale of land and buildings and assets held for sale, net of tax	<b>(59,735)</b>	(2,727)	<b>(67,134)</b>	(5,444)
Impairment of intangible assets, net of tax	-	-	<b>138,438</b>	-
Net income from discontinued operations	-	(434)	-	(483,568)
<b>Adjusted net income from continuing operations<sup>1</sup></b>	<b>48,843</b>	53,483	<b>137,926</b>	136,782
<b>Adjusted EPS from continuing operations<sup>1</sup> – basic</b>	<b>0.54</b>	0.58	<b>1.52</b>	1.45
<b>Adjusted EPS from continuing operations<sup>1</sup> – diluted</b>	<b>0.53</b>	0.57	<b>1.50</b>	1.42

For the three-month period ended September 30, 2017, TFI International's net income was \$98.8 million compared to \$51.5 million in Q3 2016. The increase of \$47.3 million is mainly attributable to the \$59.7 million gain on sale of land and buildings and assets held for sale, net of tax. The Company's adjusted net income from continuing operations<sup>1</sup>, a non-IFRS measure, which excludes items listed in the above table, was \$48.8 million for the third quarter compared to \$53.5 million in Q3 2016, down 9% or \$4.7 million mostly due to negative contribution from business acquisitions. The adjusted EPS from continuing operations, fully diluted, decreased by 7% to 53 cents.

For the nine-month period ended September 30, 2017, TFI International's net income was \$37.8 million compared to \$594.2 million for the same period in 2016. The decrease is mainly attributable to last year's net income from discontinued operations of \$483.6 million (pre-tax gain on sale of the Waste Management segment in the amount of \$559.2 million or \$490.8 million net of tax) and to the intangible impairment charge of \$138.4 million, net of tax, offset by the gain on sale of property. The Company's adjusted net income from continuing operations, which excludes these items, was stable at \$137.9 million for the first nine months of 2017.

<sup>1</sup> Refer to the section "Non-IFRS financial measures".

## SEGMENTED RESULTS

For the purpose of this section, adjusted EBITDA from continuing operations refer to the same definitions as in the section "Non-IFRS financial measures" for the consolidated results. Also, to facilitate the comparison of business level activity and operating costs between periods, the Company compares the revenue before fuel surcharge ("revenue") and reallocates the fuel surcharge revenue to materials and services expenses within operating expenses. Note that "Total revenue" is not affected by this reallocation.

## Selected segmented financial information from continuing operations

<i>(unaudited)</i> <i>(in thousands of dollars)</i>	Package and Courier	Less- Than- Truckload	Truckload	Logistics	Corporate	Eliminations	Total
<b>Q3 2017</b>							
Revenue before fuel surcharge	305,496	198,701	483,198	72,929	-	(12,139)	1,048,185
% of total revenue <sup>1</sup>	28%	19%	46%	7%			100%
Adjusted EBITDA	39,811	20,812	66,401	7,738	(6,569)	-	128,193
Adjusted EBITDA margin <sup>2</sup>	13.0%	10.5%	13.7%	10.6%			12.2%
Operating income (loss)	31,399	13,417	16,572	6,334	(7,175)	-	60,547
Operating margin <sup>2</sup>	10.3%	6.8%	3.4%	8.7%			5.8%
Net capital expenditures <sup>3, 4</sup>	882	(115,934)	45,060	496	438		(69,058)
<b>Q3 2016 (restated)</b>							
Revenue before fuel surcharge	321,183	185,378	346,254	58,126	-	(13,493)	897,448
% of total revenue <sup>1</sup>	35%	21%	38%	6%			100%
Adjusted EBITDA	41,059	22,073	52,184	5,966	(7,491)	-	113,791
Adjusted EBITDA margin <sup>2</sup>	12.8%	11.9%	15.1%	10.3%			12.7%
Operating income (loss)	32,804	14,745	24,690	5,049	(8,031)	-	69,257
Operating margin <sup>2</sup>	10.2%	8.0%	7.1%	8.7%			7.7%
Net capital expenditures <sup>5</sup>	1,195	1,234	8,083	(3,798)	247		6,961
<b>YTD 2017</b>							
Revenue before fuel surcharge	949,969	604,412	1,485,304	220,543	-	(37,395)	3,222,833
% of total revenue <sup>1</sup>	28%	19%	46%	7%			100%
Adjusted EBITDA	114,051	61,465	206,312	23,660	(22,024)	-	383,464
Adjusted EBITDA margin <sup>2</sup>	12.0%	10.2%	13.9%	10.7%			11.9%
Operating income (loss)	88,602	38,090	54,657	19,320	(23,715)	-	176,954
Operating margin <sup>2</sup>	9.3%	6.3%	3.7%	8.8%			5.5%
Total assets	666,428	577,683	2,265,476	187,105	54,212		3,750,904
Net capital expenditures <sup>4</sup>	7,193	(143,463)	117,550	445	673		(17,602)
<b>YTD 2016 (restated)</b>							
Revenue before fuel surcharge	949,315	550,777	1,039,864	171,035	-	(42,949)	2,668,042
% of total revenue <sup>1</sup>	34%	21%	39%	6%			100%
Adjusted EBITDA	106,160	56,864	156,347	17,432	(22,395)	-	314,408
Adjusted EBITDA margin <sup>2</sup>	11.2%	10.3%	15.0%	10.2%			11.8%
Operating income (loss)	80,786	34,590	73,479	14,638	(23,945)	-	179,548
Operating margin <sup>2</sup>	8.5%	6.3%	7.1%	8.6%			6.7%
Total assets	685,213	632,685	1,518,441	131,320	39,595		3,007,254
Net capital expenditures <sup>5</sup>	8,055	5,109	27,961	(3,775)	441		37,791

When the Company changes the structure of its internal organization in a manner that causes the composition of its reportable segments to change, the corresponding information for the comparative period is restated to conform to the new structure. Effective January 1, 2017, the composition of reportable segments was modified to better reflect certain changes in the Company's internal organization. In particular, TF Dedicated, which was previously included in the Package and Courier operating segment, became an independent operation and was reclassified to the TL segment. In addition, a Contrans' LTL division, which was previously included in the TL segment, was reclassified to the LTL segment in order to better reflect the nature of services provided. Comparative figures have been restated.

<sup>1</sup> Before eliminations, except for the total.

<sup>2</sup> As a percentage of revenue before fuel surcharge.

<sup>3</sup> Additions to property and equipment, net of proceeds from sale of property and equipment and assets held for sale.

<sup>4</sup> YTD 2017 net capital expenditures include proceeds from the sale of property for consideration of \$148.3 million in the LTL segment (\$117.5 million in Q3) and of \$7.5 million in the TL segment (nil in Q3).

<sup>5</sup> YTD 2016 net capital expenditures include proceeds from the sale of property for consideration of \$2.0 million in the LTL segment (\$1.7 million in Q3), of \$10.1 million in the TL segment (nil in Q3) and of \$3.7 million in the Logistics segment (\$3.7 million in Q3).

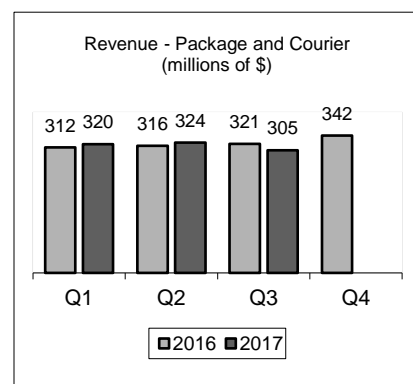
**Package and Courier**

(unaudited) - (in thousands of dollars)	Third quarters ended September 30				Nine months ended September 30			
	2017	%	2016	%	2017	%	2016	%
Total revenue	326,979		340,458		1,017,037		1,000,935	
Fuel surcharge	(21,483)		(19,275)		(67,068)		(51,620)	
<b>Revenue</b>	<b>305,496</b>	<b>100.0%</b>	<b>321,183</b>	<b>100.0%</b>	<b>949,969</b>	<b>100.0%</b>	<b>949,315</b>	<b>100.0%</b>
Materials and services expenses (net of fuel surcharge)	171,150	56.0%	186,239	58.0%	537,623	56.6%	559,946	59.0%
Personnel expenses	70,237	23.0%	68,248	21.2%	218,913	23.0%	202,835	21.4%
Other operating expenses	24,281	7.9%	25,558	8.0%	79,539	8.4%	80,290	8.5%
Depreciation of property and equipment	4,170	1.4%	4,400	1.4%	12,985	1.4%	13,699	1.4%
Amortization of intangible assets	4,242	1.4%	3,855	1.2%	12,464	1.3%	11,675	1.2%
(Gain) loss on sale of rolling stock and equipment	17	0.0%	79	0.0%	(157)	0.0%	84	0.0%
<b>Operating income</b>	<b>31,399</b>	<b>10.3%</b>	<b>32,804</b>	<b>10.2%</b>	<b>88,602</b>	<b>9.3%</b>	<b>80,786</b>	<b>8.5%</b>
<b>Adjusted EBITDA</b>	<b>39,811</b>	<b>13.0%</b>	<b>41,059</b>	<b>12.8%</b>	<b>114,051</b>	<b>12.0%</b>	<b>106,160</b>	<b>11.2%</b>
Loss on sale of land and buildings	(26)		-		(112)		(8)	
Gain on sale of assets held for sale	9,156		-		9,156		-	
Impairment of intangible assets	-		-		(13,211)		-	

**Revenue**

On January 13, 2017, the Company purchased World Courier Ground U.S. (now operating under the new name TForce Critical), an asset light, time critical courier. Operating nationally across the U.S., the company offers same-day courier, rush trucking and warehousing services primarily to the medical industry, as well as to the environmental, financial, chemical and industrial sectors.

For the quarter ended September 30, 2017, revenue decreased by \$15.7 million, or 5%, from \$321.2 million to \$305.5 million compared to the same period in the prior year. The decrease is due to an unfavourable foreign exchange impact of \$3.5 million and loss of volume of \$29.3 million offset by business acquisitions for \$17.1 million. Excluding business acquisitions, revenue for the three-month period ended September 30, 2017 decreased by \$32.8 million or 10% from prior year mainly coming from restructuring and volume decreases in the same-day business.

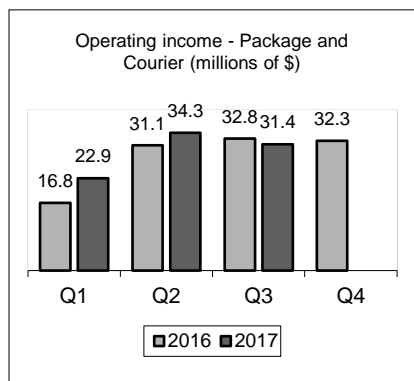


For the nine-month period ended September 30, 2017, revenue increased by \$0.7 million from \$949.3 million to \$950.0 million compared to the same period in the prior year; increases from business acquisitions were offset by volume decreases.

**Operating expenses**

For the quarter ended September 30, 2017, the Package and Courier segment's operating expenses decreased by \$14.3 million, or 5%, from \$288.4 million in 2016 to \$274.1 million. Material and services expenses decreased by 200 basis points as a percentage of revenue attributable to lower subcontractor expenses in the same-day operations. Personnel expenses increased 180 basis points as a percentage of revenue in part due to new business acquisitions as they are more labor intensive.

For the nine-month period ended September 30, 2017, the Package and Courier segment's operating expenses decreased by \$7.1 million from \$868.5 million in 2016 million to \$861.4 million. Materials and services expenses were down \$22.3 million or 4% for the nine-month period ended September 30, 2017 mainly due to loss of volume in the same-day business. Personnel expenses as a percentage of revenue before fuel surcharge were 160 basis points higher partly due to employee termination costs which amounted to \$4.0 million.


**Operating income**

The Company's operating income in the Package and Courier segment for the quarter ended September 30, 2017 decreased by 4% or \$1.4 million compared to the third quarter of 2016, from \$32.8 million to \$31.4 million due to decreases in revenue.

For the nine-month period ended September 30, 2017, operating income increased by 10% or \$7.8 million compared to the same period in 2016, from \$80.8 million to \$88.6 million. The operating margin increased 80 basis points year-over-year mainly from existing operations to reach 9.3% as a result of better business mix and cost reduction measures.

**Gain or loss on sale of property and impairment of intangible assets**

A gain on sale of assets held for sale of \$9.2 million was recorded in this segment mainly due to a portion of the Company's sale and leaseback transaction completed in Q3 2017.

In Q1 2017, TFI International also rebranded the divisions Dynamex Canada, Dynamex U.S. and Hazen Final Mile into TForce Final Mile. The establishment of the new North American division should maximize opportunities in the growing same-day business, last mile delivery category and is in line with the Company's focus on the e-commerce sector. This resulted in an impairment charge to the original trademark intangible assets related to these businesses of \$13.2 million. The future amortization period of the residual intangible related to these trademarks has been reduced to 4 years with no significant impact on the yearly amortization expense.

## Less-Than-Truckload

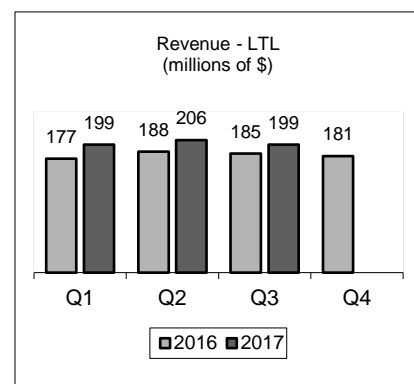
<i>(unaudited) - (in thousands of dollars)</i>	Third quarters ended September 30				Nine months ended September 30			
	2017	%	2016	%	2017	%	2016	%
Total revenue	226,234		209,400		691,625		619,928	
Fuel surcharge	(27,533)		(24,022)		(87,213)		(69,151)	
<b>Revenue</b>	<b>198,701</b>	<b>100.0%</b>	185,378	100.0%	<b>604,412</b>	<b>100.0%</b>	550,777	100.0%
Materials and services expenses (net of fuel surcharge)	103,939	52.3%	96,914	52.3%	314,469	52.0%	287,496	52.2%
Personnel expenses	55,624	28.0%	52,428	28.3%	173,247	28.7%	162,281	29.5%
Other operating expenses	18,354	9.2%	14,066	7.6%	55,159	9.1%	44,615	8.1%
Depreciation of property and equipment	4,933	2.5%	5,136	2.8%	16,162	2.7%	15,668	2.8%
Amortization of intangible assets	2,462	1.2%	2,192	1.2%	7,213	1.2%	6,606	1.2%
(Gain) loss on sale of rolling stock and equipment	(28)	0.0%	(103)	-0.1%	72	0.0%	(479)	-0.1%
<b>Operating income</b>	<b>13,417</b>	<b>6.8%</b>	14,745	8.0%	<b>38,090</b>	<b>6.3%</b>	34,590	6.3%
<b>Adjusted EBITDA</b>	<b>20,812</b>	<b>10.5%</b>	22,073	11.9%	<b>61,465</b>	<b>10.2%</b>	56,864	10.3%
Gain on sale of land and buildings	9		1,528		25		1,778	
Gain on sale of assets held for sale	60,959		-		69,206		-	

### Revenue

On January 28, 2017, the Company acquired Cavalier Transportation Services Inc. ("Cavalier"). Cavalier provides domestic and U.S. services in the Great Lakes region in the LTL and Logistics segments.

For the three-month period ended September 30, 2017, the LTL segment's revenue increased by 7%, or \$13.3 million, from \$185.4 million to \$198.7 million, mainly due to business acquisitions. Excluding business acquisitions, revenue decreased by 6% or \$11.1 million, from \$185.4 million to \$174.3 million. The decrease is largely due to volume decline from the U.S. and negative foreign currency movements of \$0.8 million.

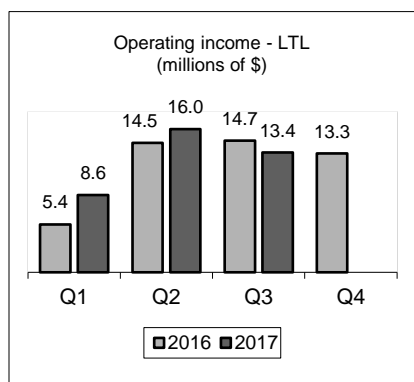
For the nine-month period ended September 30, 2017, revenue increased by 10%, or \$53.6 million, from \$550.8 million to \$604.4 million mainly due to business acquisitions for \$73.8 million, partially offset by decreases from existing operations.



### Operating expenses

For the third quarter of 2017, operating expenses were up 9%, or \$14.7 million, to \$185.3 million compared to \$170.6 million in Q3 2016 mainly from business acquisitions. Excluding business acquisitions, operating expenses were down by 5%, or \$9.0 million due to the decline in revenue. Operating expenses from existing operations as a percentage of revenue were 92.7%, a deterioration of 70 basis points over the same quarter last year due to volume loss from the U.S. As a result, the Company implemented a restructuring plan in the Company's Eastern Canadian LTL network and incurred employee termination expenses of \$1.1 million.

For the nine-month period ended September 30, 2017, operating expenses were up 10%, or \$50.1 million, to \$566.3 million compared to \$516.2 million last year, mainly attributable to business acquisitions offset by reduction in operating expenses from existing operations due to volume decline.



### Operating income

For the quarter ended September 30, 2017, operating income decreased by \$1.3 million or 9% from \$14.7 million to \$13.4 million mainly due to volume decreases in existing operations and a lower operating margin.

For the nine-month period ended September 30, 2017, operating income increased by \$3.5 million to \$38.1 million from \$34.6 million in 2016 mainly due to 60 basis points of margin improvements from existing operations, which contributed to its operating income increase of \$2.2 million.

### Gain on sale of property

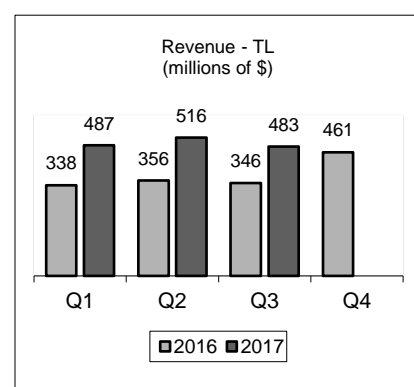
A gain on sale of assets held for sale of \$61.0 million was recorded in this segment mainly due to a portion of the Company's sale and leaseback transaction completed in Q3 2017. In Q2 2017, the Company also completed a sale and leaseback transaction which resulted in a gain of \$8.2 million.

**Truckload**

(unaudited) - (in thousands of dollars)	Third quarters ended September 30				Nine months ended September 30			
	2017	%	2016	%	2017	%	2016	%
Total revenue	539,908		379,839		1,664,114		1,135,258	
Fuel surcharge	(56,710)		(33,585)		(178,810)		(95,394)	
<b>Revenue</b>	<b>483,198</b>	<b>100.0%</b>	<b>346,254</b>	<b>100.0%</b>	<b>1,485,304</b>	<b>100.0%</b>	<b>1,039,864</b>	<b>100.0%</b>
Materials and services expenses (net of fuel surcharge)	246,904	51.1%	183,976	53.1%	750,758	50.5%	549,198	52.8%
Personnel expenses	153,833	31.8%	97,462	28.1%	481,924	32.4%	296,197	28.5%
Other operating expenses	15,748	3.3%	14,661	4.2%	49,364	3.3%	45,002	4.3%
Depreciation of property and equipment	42,333	8.8%	21,667	6.3%	130,256	8.8%	65,106	6.3%
Amortization of intangible assets	7,496	1.6%	5,827	1.7%	21,399	1.4%	17,762	1.7%
(Gain) loss on sale of rolling stock and equipment	312	0.1%	(2,029)	-0.6%	(3,054)	-0.2%	(6,880)	-0.7%
<b>Operating income</b>	<b>16,572</b>	<b>3.4%</b>	<b>24,690</b>	<b>7.1%</b>	<b>54,657</b>	<b>3.7%</b>	<b>73,479</b>	<b>7.1%</b>
<b>Adjusted EBITDA</b>	<b>66,401</b>	<b>13.7%</b>	<b>52,184</b>	<b>15.1%</b>	<b>206,312</b>	<b>13.9%</b>	<b>156,347</b>	<b>15.0%</b>
Gain (loss) on sale of land and buildings	-		-		(75)		3,157	
Gain on sale of assets held for sale	-		-		172		-	
Impairment of intangible assets	-		-		(129,770)		-	

**Revenue**

For the three-month period ended September 30, 2017, TL revenue increased by \$136.9 million or 40%, from \$346.3 million in Q3 2016 to \$483.2 million. This increase is attributable to business acquisitions, mainly the acquisition of CFI in the last quarter of 2016. These business acquisitions contributed \$147.1 million to the TL revenue increase. Excluding these business acquisitions, TL revenue decreased by \$10.2 million or 3% compared to the same quarter last year. Part of this revenue decrease is explained by unfavorable currency fluctuations of \$4.5 million and the remaining decrease comes from declines, particularly in the U.S. TL divisions where pressure was high on both volume and rates. The U.S. divisions also had to cope with the damages caused by the recent hurricanes Harvey and Irma. The negative impact on revenue from these unfortunate events sums to \$2.6 million in the third quarter mainly due to disruptions of production which led to fewer loads hauled. Despite the immediate downside of this natural catastrophe, rebuilding efforts will necessitate more trucking volume in the medium and long term.

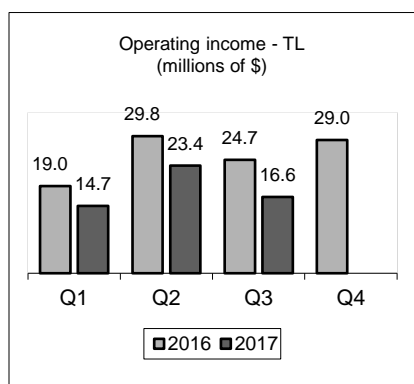


As part of its asset-light strategy, the TL segment increased its brokerage revenue by 7%, or \$3.6 million, to \$56.0 million, on a year-over-year basis.

For the nine-month period ended September 30, 2017, revenue increased by \$445.4 million from \$1,039.9 million in 2016 to \$1,485.3 million in 2017. This increase is mainly due to business acquisitions which contributed \$460.0 million to the increase. Excluding business acquisitions, revenue decreased by 1%. The year-to-date unfavorable foreign currency impact was \$3.8 million.

**Operating expenses**

Operating expenses increased by \$145.1 million or 45% from \$321.6 million in Q3 2016 to \$466.6 million in Q3 2017 mainly from business acquisitions. After completing the acquisition of CFI, several one-time expenses have been incurred to transition to a stand-alone company and to rebrand the existing fleet. In addition, in order to return to a normal level of rolling stock repair and maintenance expense, an extensive program of fleet renewal has been put in place. As a result, non-recurring transition costs related to the acquisition of CFI totalled \$3.2 million in Q3 2017 or \$17.6 million on a year-to-date basis. Excluding business acquisitions, operating expenses decreased by 4% or \$12.6 million which is slightly greater than the 3% decrease in revenue. This is explained by lower accident costs of \$2.0 million and the TL segment diligently working to align its cost structure to demand. The Company continues to focus on being cost-conscious and its priority remains to improve the efficiency and profitability of its existing fleet and network of independent contractors.



For the nine-month period ended September 30, 2017, operating expenses increased by \$464.3 million or 48% mainly due to business acquisitions. Excluding business acquisitions, operating expenses decreased by \$20.8 million or 2% compared to a 1% decrease in revenue on a year-to-date basis, resulting in a 70 basis point improvement as a percentage of revenue before fuel surcharge.

**Operating income**

The Company's operating income in the TL segment for the quarter ended September 30, 2017 decreased by \$8.1 million from \$24.7 million in the prior year period to \$16.6 million, mainly due the acquisition of CFI and its significant transition costs as mentioned above. In addition, the U.S. market is still challenging in regard to rate and volume which heavily impact the U.S. TL operating divisions. Initiatives aimed at equipment cost reductions have yet to be fully achieved. The recurring gain that the Company normally generates from its sales of rolling stock and equipment was reduced by losses generated by the fleet

renewal plan for CFI during this quarter. These losses are not expected to continue after the CFI fleet renewal plan is complete. Also, hurricanes Harvey and Irma negatively impacted the U.S. TL operating segment by \$0.6 million.

Excluding business acquisitions, for the quarter ended September 30, 2017, operating income increased by \$2.5 million, or 100 basis points as a percentage of revenue before fuel surcharge, from Q3 2016 mainly from improvement in both the Canadian conventional and specialized TL operations.

For the nine-month period ended September 30, 2017, the operating margin was 3.7% compared to 7.1% in the same period in 2016. Excluding business acquisitions, the operating margin increased by 70 basis points to 7.8%. The TL segment will continue to focus on cost initiatives to improve its margins in light of the stable Canadian freight market and the difficult U.S. freight market.

### Impairment of intangible assets

For the nine-month period ended September 30, 2017, impairment of intangible assets was \$129.8 million. A goodwill impairment charge was recorded in the U.S. TL operating segment in Q2 due to a weak performance resulting from downward pricing pressures experienced by the industry as a result of high competitiveness, limited economic activity growth and upward cost pressures adversely impacting operating cost per mile and operating margins.

## Logistics

<i>(unaudited) - (in thousands of dollars)</i>	Third quarters ended September 30				Nine months ended September 30			
	2017	%	2016	%	2017	%	2016	%
Total revenue	74,638		59,256		225,782		174,302	
Fuel surcharge	(1,709)		(1,130)		(5,239)		(3,267)	
<b>Revenue</b>	<b>72,929</b>	<b>100.0%</b>	<b>58,126</b>	<b>100.0%</b>	<b>220,543</b>	<b>100.0%</b>	<b>171,035</b>	<b>100.0%</b>
Materials and services expenses (net of fuel surcharge)	52,393	71.8%	42,514	73.1%	158,133	71.7%	123,522	72.2%
Personnel expenses	9,558	13.1%	6,965	12.0%	28,568	13.0%	21,862	12.8%
Other operating expenses	3,434	4.7%	2,745	4.7%	10,421	4.7%	8,402	4.9%
Depreciation of property and equipment	284	0.4%	315	0.5%	803	0.4%	982	0.6%
Amortization of intangible assets	1,120	1.5%	602	1.0%	3,537	1.6%	1,812	1.1%
Gain on sale of rolling stock and equipment	(194)	-0.3%	(64)	-0.1%	(239)	-0.1%	(183)	-0.1%
<b>Operating income</b>	<b>6,334</b>	<b>8.7%</b>	<b>5,049</b>	<b>8.7%</b>	<b>19,320</b>	<b>8.8%</b>	<b>14,638</b>	<b>8.6%</b>
<b>Adjusted EBITDA</b>	<b>7,738</b>	<b>10.6%</b>	<b>5,966</b>	<b>10.3%</b>	<b>23,660</b>	<b>10.7%</b>	<b>17,432</b>	<b>10.2%</b>
Gain on sale of land and buildings	-		1,639		-		1,639	

### Revenue

For the quarter ended September 30, 2017, revenue from the Logistics segment increased by 25% or \$14.8 million year-over-year, from \$58.1 million to \$72.9 million. Excluding business acquisitions, revenue increased by 6%, or \$3.7 million, attributable to higher volumes by new and current customers and some non-recurring business.

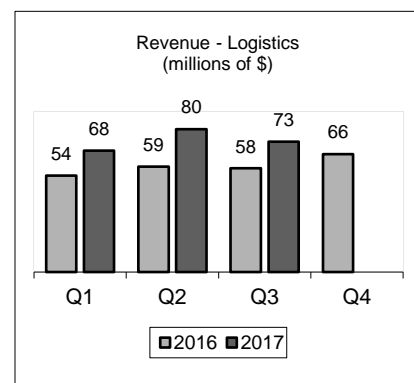
For the nine-month period ended September 30, 2017, revenue increased by 29% or \$49.5 million year-over-year, from \$171.0 million to \$220.5 million. Excluding business acquisitions, revenue increased by 10%, or \$16.6 million, attributable to higher volumes by new and current customers and some non-recurring business.

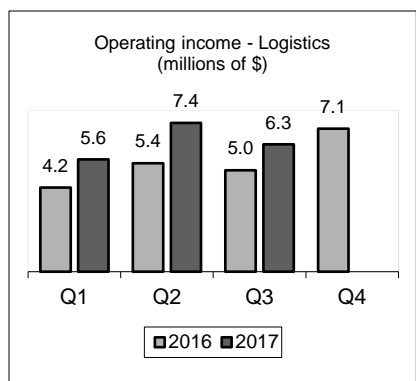
### Operating expenses

For the quarter ended September 30, 2017, operating expenses increased 25% or \$13.5 million compared to the third quarter of 2016, from \$53.1 million to \$66.6 million. This increase was mostly attributable to higher year-over-year revenues. Materials and services expenses represented 71.8% of revenue before fuel surcharge, an improvement of 130 basis points when compared to last year's same quarter. Personnel expenses represented 13.1% as a percentage of revenue before fuel surcharge, an increase of 110 basis points when compared to last year's same quarter mostly due to business acquisitions.

For the three- and nine-month period ended September 30, 2017, amortization of intangible assets increased due to business acquisitions.

For the nine-month period ended September 30, 2017, operating expenses increased by 29% or \$44.8 million compared to 2016, from \$156.4 million to \$201.2 million. This increase was mostly attributable to higher year-over-year revenues.





### Operating income

The Company's operating income in the Logistics segment for the quarter ended September 30, 2017 increased 25% or \$1.3 million compared to the third quarter of 2016, from \$5.0 million to \$6.3 million attributable to higher year-over-year revenues.

For the nine-month period ended September 30, 2017, operating income increased 32% or \$4.7 million compared to 2016, from \$14.6 million to \$19.3 million. The Logistics segment's operating margin increased 20 basis points year-over-year mainly as a result of business acquisitions.

## LIQUIDITY AND CAPITAL RESOURCES

### Sources and uses of cash

<i>(unaudited)</i> <i>(in thousands of dollars)</i>	Third quarters ended September 30		Nine months ended September 30	
	2017	2016	2017	2016
<b>Sources of cash:</b>				
Net cash from operating activities from continuing operations	128,912	88,302	256,453	228,093
Proceeds from sale of property and equipment	29,404	12,902	67,940	41,752
Proceeds from sale of assets held for sale	117,459	-	155,639	-
Net variance in cash and bank indebtedness	-	-	20,903	-
Net cash from discontinued operations	-	7,686	-	765,705
Others	1,153	-	9,170	-
<b>Total sources</b>	<b>276,928</b>	<b>108,890</b>	<b>510,105</b>	<b>1,035,550</b>
<b>Uses of cash:</b>				
Purchases of property and equipment	83,377	19,863	192,998	79,426
Business combinations, net of net cash acquired	2,580	-	88,267	22,968
Net variance in cash and bank indebtedness	2,406	17,467	-	10,857
Net repayment of long-term debt	162,957	7,985	73,501	718,088
Dividends paid	17,121	15,800	51,930	48,543
Repurchase of own shares	8,476	41,752	50,985	150,108
Net cash used in discontinued operations	11	-	52,424	-
Others	-	6,023	-	5,560
<b>Total usage</b>	<b>276,928</b>	<b>108,890</b>	<b>510,105</b>	<b>1,035,550</b>

### Cash flow from operating activities from continuing operations

For the nine-month period ended September 30, 2017, net cash from operating activities from continuing operations increased by 12% from \$228.1 million in 2016 to \$256.5 million. This \$28.4 million increase is mainly attributable to higher cash flow from operating activities from continuing operations before net changes in non-cash operating working capital for \$72.9 million, which improvement came from business acquisitions and existing operations, offset by higher cash used for net changes in non-cash operating working capital of \$25.8 million and higher interest paid, for \$20.6 million. The net change in non-cash operating working capital was negative \$21.0 million in 2017, mainly due to higher receivables, compared to a positive contribution in 2016.

## Cash flow used in investing activities from continuing operations

### Property and equipment

The following table presents the additions of property and equipment by category for the three- and nine-month periods ended September 30, 2017 and 2016.

<i>(unaudited)</i> <i>(in thousands of dollars)</i>	Third quarters ended September 30		Nine months ended September 30	
	2017	2016	2017	2016
Additions to property and equipment:				
Purchases as stated on cash flow statements	83,377	19,863	192,998	79,426
Additions that did not affect cash	(5,572)	-	12,979	117
	<b>77,805</b>	19,863	<b>205,977</b>	79,543
Additions by category:				
Land and buildings	2,975	4,777	5,877	7,426
Rolling stock	71,415	13,866	190,096	65,675
Equipment	3,415	1,220	10,004	6,442
	<b>77,805</b>	19,863	<b>205,977</b>	79,543

The Company invests in new equipment to maintain its quality of service while keeping maintenance costs low. Its capital expenditures reflect the level of reinvestment required to keep its equipment in good order as well as maintain an adequate allocation of its capital resources. In line with its asset light model, increasing the use of independent contractors to replace owned equipment is beneficial for the Company as it reduces capital needs to serve customers. The Company intends to further pursue this conversion strategy, particularly with the recent business acquisitions operating with more invested capital.

Higher 2017 additions of rolling stock compared to 2016 are partly attributable to the CFI business acquisition and its fleet renewal program.

In the normal course of activities, the Company constantly renews its rolling stock equipment generating regular proceeds and gain or loss on disposition. The following table indicates the proceeds and gains or losses from sale of property and equipment and assets held for sale from continuing operations by category for the three- and nine-month periods ended September 30, 2017 and 2016.

<i>(unaudited)</i> <i>(in thousands of dollars)</i>	Third quarters ended September 30		Nine months ended September 30	
	2017	2016	2017	2016
Proceeds by category:				
Land and buildings	117,469	5,409	155,839	15,828
Rolling stock	29,394	7,415	67,698	25,794
Equipment	-	78	42	130
	<b>146,863</b>	12,902	<b>223,579</b>	41,752
Gains (losses) by category:				
Land and buildings	70,098	3,167	78,372	6,566
Rolling stock	(71)	2,170	3,415	7,513
Equipment	(36)	(55)	(81)	(91)
	<b>69,991</b>	5,282	<b>81,706</b>	13,988

For the nine-month period ended September 30, 2017, the Company disposed of properties for total consideration of \$174.4 million (\$15.8 million in 2016), which generated a gain of \$78.4 million (\$6.6 million in 2016). Notably, in Q3, TFI International unlocked shareholder value with a sale and leaseback transaction on selected real estate assets. The all cash transaction of \$135.7 million, which included two facilities in each of Montreal and Toronto, resulted in a pre-tax gain of \$69.8 million. Note that \$18.6 million of the \$135.7 million selling price was cashed on October 2, 2017 and, therefore, was included in receivables as at September 30, 2017.

### Business acquisitions

For the nine-month period ended September 30, 2017, cash used in business acquisitions totalled \$88.3 million (\$23.0 million in 2016).

In 2017, the Company acquired five businesses. Refer to the section of this report entitled "2017 business acquisitions" and further information can be found in note 5 of the September 30, 2017 unaudited condensed consolidated interim financial statements.

### Cash flow from discontinued operations

For the nine-month period ended September 30, 2017, the discontinued operations used cash flow of \$52.4 million mainly attributable to the balance of income tax due on the gain on the sale of the Waste group, realized in February 2016, which was paid in January 2017. In 2016, discontinued operations generated cash flows of \$765.7 million. In the first quarter of 2016, TFI International received \$758.9 million for the sale of its Waste Management segment to GFL.

**Free cash flow from continuing operations**

<i>(unaudited)</i> <i>(in thousands of dollars, except per share data)</i>	Third quarters ended September 30		Nine months ended September 30	
	2017	2016	2017	2016
Net cash from operating activities from continuing operations	128,912	88,302	256,453	228,093
Additions to property and equipment	(77,805)	(19,863)	(205,977)	(79,543)
Proceeds from sale of property and equipment	29,404	12,902	67,940	41,752
Proceeds from sale of assets held for sale	117,459	-	155,639	-
<b>Free cash flow from continuing operations<sup>1</sup></b>	<b>197,970</b>	<b>81,341</b>	<b>274,055</b>	<b>190,302</b>
<b>Free cash flow from continuing operations per share<sup>1</sup></b>	<b>2.20</b>	<b>0.88</b>	<b>3.02</b>	<b>2.01</b>

The Company's objectives when managing its cash flow from operations are to ensure proper capital investment in order to provide stability and competitiveness to its operations, to ensure sufficient liquidity to pursue its growth strategy, and to undertake selective business acquisitions within a sound capital structure and a solid financial position.

For the nine-month period ended September 30, 2017, TFI International generated free cash flow from continuing operations of \$274.1 million, compared to \$190.3 million in 2016, which represents a year-over-year increase of \$83.8 million. This increase is mainly due to higher proceeds from sale of property and equipment and assets held for sale, offset by higher additions to property and equipment.

Based on the September 30, 2017 closing share price of \$32.16, the free cash flow from continuing operations generated by the Company in the last twelve months (\$372.1 million) represented a yield of 12.7%.

**Financial position**

<i>(unaudited)</i> <i>(in thousands of dollars)</i>	As at September 30, 2017	As at December 31, 2016	As at December 31, 2015
Total assets	3,750,904	4,040,835	3,377,870
Long-term debt	1,493,552	1,584,815	1,615,100
Shareholders' equity	1,344,564	1,458,650	1,019,799
Debt-to-equity ratio <sup>2</sup>	1.11	1.09	1.58
Debt-to-capitalization ratio <sup>3</sup>	0.53	0.52	0.61

Compared to December 31, 2016, the Company's total assets decreased due to the impairment of intangible assets and to the sale of certain real estate assets. The long-term debt decreased due to the sale of property and shareholders' equity decreased mainly as a result of the impairment of intangible assets. The debt-to-equity ratio and the debt-to-capitalization ratio were similar to those of December 31, 2016. The Company's current financial position reflects an appropriate debt level to further pursue its acquisition strategy. Strict cash flow management and cash flow generated from operations have allowed the Company to pursue debt reduction when the situation has dictated.

As at September 30, 2017, the Company's working capital (current assets less current liabilities) was \$143.8 million compared to \$56.9 million as at December 31, 2016. The increase is mainly attributable to the increase of \$21.1 million of assets held for sale, composed of properties, and to the balance of 2016 income tax paid in Q1 2017 for \$57.7 million.

**Contractual obligations**

The following table indicates the Company's contractual obligations with their respective maturity dates at September 30, 2017, excluding future interest payments.

<i>(unaudited)</i> <i>(in thousands of dollars)</i>	Total	Less than 1 year	1 to 3 years	3 to 5 years	After 5 years
Unsecured revolving facility – June 2021	695,446	-	-	695,446	-
Term loan – October 2018 & 2019	500,000	-	500,000	-	-
Unsecured debentures – December 2020	125,000	-	-	125,000	-
Term loan – August 2019	75,000	-	75,000	-	-
Finance lease liabilities	16,356	9,613	6,684	59	-
Conditional sales contracts and other long-term debt	87,817	31,322	47,150	9,345	-
Operating leases and other commitments (see commitments)	569,209	159,736	163,407	92,642	153,424
<b>Total contractual obligations</b>	<b>2,068,828</b>	<b>200,671</b>	<b>792,241</b>	<b>922,492</b>	<b>153,424</b>

As at September 30, 2017, the Company had \$40.8 million of outstanding letters of credit (\$40.1 million on December 31, 2016).

<sup>1</sup> Refer to the section "Non-IFRS financial measures".

<sup>2</sup> Long-term debt divided by shareholders' equity.

<sup>3</sup> Long-term debt divided by the sum of shareholders' equity and long-term debt.

On May 17, 2017, TFI International reached an agreement to amend and extend its existing credit facility to June 2021. The facility is unsecured and can be extended annually. The total available amount remained unchanged at \$1.2 billion and the amendment provides similar terms and covenants.

The following table indicates the Company's financial covenants to be maintained under its credit facility. These covenants are measured on a consolidated rolling twelve-month basis:

<b>Covenants</b>	<b>Requirements</b>	<b>As at September 30, 2017</b>
<b>Funded debt-to-EBITDA ratio</b> [ratio of total debt plus letters of credit and some other long-term liabilities to earnings before interest, income tax, depreciation and amortization ("EBITDA"), including last twelve months adjusted EBITDA from business acquisitions]	< 3.50	2.86
<b>EBITDAR-to-interest and rent ratio</b> [ratio of EBITDAR (EBITDA before rent and including last twelve months adjusted EBITDAR from business acquisitions) to interest and net rent expenses]	> 1.75	3.30

The Company believes it will be in compliance with these covenants for the next twelve months.

### Commitments, contingencies and off-balance sheet arrangements

The following table indicates the Company's commitments with their respective terms at September 30, 2017.

<b>(unaudited) (in thousands of dollars)</b>	<b>Total</b>	<b>Less than 1 year</b>	<b>1 to 3 years</b>	<b>3 to 5 years</b>	<b>After 5 years</b>
Operating leases – rolling stock	90,118	42,495	37,060	10,563	-
Operating leases – real estate & others	447,071	85,221	126,347	82,079	153,424
Other commitments	32,020	32,020	-	-	-
<b>Total off-balance sheet obligations</b>	<b>569,209</b>	<b>159,736</b>	<b>163,407</b>	<b>92,642</b>	<b>153,424</b>

Long-term real estate leases, totalling \$447.1 million, include eleven significant real estate commitments for an aggregate value of \$255.8 million, which expire between 2024 and 2035. A total of 287 properties constitute the remaining real estate operating leases.

### Dividends and outstanding share data

#### Dividends

The Company declared \$17.1 million in dividends, or 19 cents per common share, in the third quarter of 2017. For the nine-month period ended September 30, 2017, dividends declared were \$51.6 million, or 57 cents per common share.

#### NCIB on common shares

Pursuant to the renewal of the normal course issuer bid ("NCIB"), which began on October 2, 2017 and will expire on October 1, 2018, the Company is authorized to repurchase for cancellation up to a maximum of 6,000,000 of its common shares under certain conditions. The Board of TFI International believes that, at appropriate times, repurchasing its shares through the NCIB represents a good use of TFI International's financial resources, as such action can protect and enhance shareholder value when opportunities or volatility arise.

For the nine-month period ended September 30, 2017, the Company repurchased 1,830,726 common shares (2016 – 6,402,124) at a price ranging from \$26.56 to \$29.32 (2016 - \$22.00 to \$27.30) for a total purchase price of \$51.0 million (2016 – \$150.1 million).

#### Outstanding shares, stock options and restricted share units

A total of 89,926,927 common shares were outstanding as at September 30, 2017 (December 2016 – 91,575,319). There was no significant change in the Company's outstanding share capital between September 30, 2017 and October 26, 2017.

As at September 30, 2017, the number of outstanding options to acquire common shares issued under the Company's stock option plan was 5,708,666 (December 2016 – 5,495,887) of which 4,345,880 were exercisable (December 2016 – 3,763,656). On February 16, 2017, the Board of Directors approved the grant of 395,113 stock options under the Company's stock option plan. Each stock option entitles the holder to purchase one common share of the Company at an exercise price based on the closing price of the volume weighted average trading price of the Company's shares for the last five trading days immediately preceding the effective date of the grant.

As at September 30, 2017, the number of restricted share units ("RSUs") granted under the Company's equity incentive plan to the benefit of its senior employees was 348,070 (December 2016 – 281,027). On February 16, 2017, the Board of Directors approved the grant of 60,931 RSUs under the Company's equity incentive plan. The RSUs will vest in December of the second year from the grant date. Upon satisfaction of the required service period, the plan provides for settlement of the award through shares.

### Legal proceedings

The Company is involved in litigation arising from the ordinary course of business primarily involving claims for bodily injury and property damage. It is not feasible to predict or determine the outcome of these or similar proceedings. However, the Company believes the ultimate recovery or liability, if any,

resulting from such litigation individually or in total would not materially adversely affect the Company's financial condition or performance and, if necessary, have been provided for in the financial statements.

### Subsequent event

The Company entered into an agreement for the acquisition of Premier Product Management Inc. ("PPM") with a closing date anticipated in the fourth quarter of 2017. PPM is based in California and provides home delivery services of household appliances. This company is expected to generate about \$27 million in revenue on a yearly basis for the Logistics segment.

## OUTLOOK

TFI International is cautiously optimistic in regards to the North American economy. Unemployment is low and consumer spending remains solid. These factors should produce a gradual recovery in freight volume and rates.

Still, current conditions remain relatively challenging, which could limit organic growth over the short-term. Consequently, key drivers for revenue and operating income growth consist of further efficiency improvement, asset rationalization, tight cost controls, and the execution of a disciplined acquisition strategy in the fragmented North American transportation and logistics market.

In the Package and Courier and LTL segments, TFI International's priorities remain the consolidation of its operations, administration and IT platforms for additional savings and efficiency gains. In Package and Courier, TFI International will remain proactive in implementing measures to further optimize asset utilization, which includes completing the optimization of businesses in U.S. same-day operations. The recent rebranding to TForce Final Mile should maximize opportunities in this growing market and is aligned with TFI International's focus on asset-light activities related to e-commerce.

In LTL, the Company must remain disciplined in adapting supply to demand, as overcapacity continues to affect the industry. To this end, the Company will continue to focus on major cities and high-density regions to enhance value. TFI International will also seek to further expand its capabilities in asset-light intermodal activities that generate higher returns.

Although current conditions remain relatively difficult in the U.S. TL market, the gradual implementation of rate increases in contract renewals should lead to improvement in 2018. TFI International's priority is to leverage its enhanced density in the U.S. and in Mexican cross-border activities following the October 2016 acquisition of CFI. The Company will also continue to focus on the quality of its freight revenue and on cost reductions. TFI International will remain disciplined in regards to supply management in the U.S., while sustaining its efforts to optimize the utilization of existing assets. The Company will continue to deploy leading-edge analytical tools across its network in order to allow its people to make appropriate business decisions and maximize returns.

Finally, the Company believes it can further grow its presence in the Logistics sector, as these non-asset-based activities represent a strategic complement to conventional transportation services. Logistics requires less capital, thereby generating solid free cash flow.

As the Company continues to gradually adopt an asset-light business model, capital will be increasingly deployed in initiatives that provide a better return on capital and solid cash flow. In so doing, TFI International aims to increasingly distinguish itself by providing innovative, value-added solutions to its growing North American customer base. In the short term, TFI International will use its cash flow to prioritize share repurchase and debt reimbursement.

TFI International is well positioned to benefit when freight volume and rates recover more vigorously, and management is confident that the steps it has taken and has planned will continue to grow shareholder value. The Company aims to deliver on this commitment by adhering to its operating principles and by executing its strategy with the same discipline and rigour that have made TFI International a North American leader in the transportation and logistics industry.

## SUMMARY OF EIGHT MOST RECENT QUARTERLY RESULTS

<i>(unaudited) - (in millions of dollars, except per share data)</i>								
	Q3'17	Q2'17	Q1'17	Q4'16	Q3'16	Q2'16	Q1'16	Q4'15
Total revenue	1,154.4	1,232.2	1,171.9	1,036.4	975.5	977.8	934.2	1,026.8
Adjusted EBITDA from continuing operations <sup>1</sup>	128.2	145.7	109.5	127.9	113.8	116.2	84.5	107.9
Operating income	60.5	74.3	42.1	69.7	69.3	71.4	38.9	62.5
Net income (loss)	98.8	(75.0)	14.1	45.3	51.5	39.1	503.6	43.6
EPS – basic	1.10	(0.82)	0.15	0.50	0.56	0.42	5.16	0.45
EPS – diluted	1.07	(0.82)	0.15	0.48	0.55	0.41	5.09	0.44
Net income (loss) from continuing operations	98.8	(75.0)	14.1	46.4	51.1	44.3	15.3	40.6
EPS from continuing operations – basic	1.10	(0.82)	0.15	0.51	0.55	0.47	0.16	0.42
EPS from continuing operations – diluted	1.07	(0.82)	0.15	0.49	0.54	0.47	0.15	0.41
Adjusted net income from continuing operations <sup>1</sup>	48.8	56.2	32.9	50.6	53.5	53.3	30.0	39.3
Adjusted EPS from continuing operations - diluted <sup>1</sup>	0.53	0.60	0.35	0.54	0.57	0.56	0.30	0.40

The differences between the quarters are mainly the result of seasonality (softer in Q1) and business acquisitions. In Q3 2017, higher net income, as well as higher basic and diluted EPS, is mainly due to gain on sale of property for \$70.1 million, \$59.7 million after-tax. In Q2 2017, the Company recorded a net loss and negative basic and diluted EPS principally due to a goodwill impairment in its U.S. TL operating segment of \$129.8 million (no tax impact on this impairment). In Q1 2016, higher net income, as well as higher basic and diluted EPS, is mainly due to the \$490.8 million after-tax gain on the sale of the Waste Management segment.

## NON-IFRS FINANCIAL MEASURES

Financial data have been prepared in conformity with IFRS. This MD&A includes references to certain non-IFRS financial measures as described below. These non-IFRS measures do not have any standardized meanings prescribed by International Financial Reporting Standards (IFRS) and are therefore unlikely to be comparable to similar measures presented by other companies. Accordingly, they should not be considered in isolation, in addition to, not as a substitute for or superior to, measures of financial performance prepared in accordance with IFRS. The terms and definitions of IFRS and non-IFRS measures used in this MD&A and a reconciliation of each non-IFRS measure to the most directly comparable IFRS measure are provided below or in the MD&A.

**Adjusted net income from continuing operations:** Net income or loss excluding amortization of intangible assets related to business acquisitions, net changes in the fair value of derivatives, net foreign exchange gain or loss, gain or loss on sale of land and buildings and assets held for sale, impairment of intangible assets, and income or loss from discontinued operations, net of tax. In presenting an adjusted net income from continuing operations and adjusted EPS from continuing operations, the Company's intent is to help provide an understanding of what would have been the net income and earnings per share in a context of significant business combinations and excluding specific impacts and to reflect earnings from a strictly operating perspective. The amortization of intangible assets related to business acquisitions comprises amortization expense of customer relationships, trademarks and non-compete agreements accounted for in business combinations and the income tax effects related to this amortization. Management also believes, in excluding amortization of intangible assets related to business acquisitions, it provides more information on the amortization of intangible asset expense portion, net of tax, that will not have to be replaced to preserve the Company's ability to generate similar future cash flows. The Company excludes these items because they affect the comparability of its financial results and could potentially distort the analysis of trends in its business performance. Excluding these items does not imply they are necessarily non-recurring. See reconciliation on page 7.

**Adjusted earnings per share (adjusted "EPS") from continuing operations - basic:** Adjusted net income from continuing operations divided by the weighted average number of common shares.

**Adjusted EPS from continuing operations - diluted:** Adjusted net income from continuing operations divided by the weighted average number of diluted common shares.

<sup>1</sup> Refer to the section "Non-IFRS financial measures".

**Adjusted EBITDA from continuing operations:** Net income or loss from continuing operations before finance income and costs, income tax expense, depreciation, amortization, gain or loss on sale of land and buildings and assets held for sale and impairment of intangible assets. Management believes adjusted EBITDA from continuing operations to be a useful supplemental measure. Adjusted EBITDA from continuing operations is provided to assist in determining the ability of the Company to generate cash from its operations.

**Adjusted EBITDA from continuing operations reconciliation:**

<i>(unaudited)</i> <i>(in thousands of dollars)</i>	Third quarters ended September 30		Nine months ended September 30	
	2017	2016	2017	2016
<b>Net income from continuing operations</b>	<b>98,774</b>	51,069	<b>37,796</b>	110,672
Net finance costs	<b>16,626</b>	6,681	<b>47,578</b>	43,616
Income tax expense	<b>15,245</b>	14,674	<b>26,971</b>	31,826
Depreciation of property and equipment	<b>52,079</b>	31,862	<b>161,259</b>	96,446
Amortization of intangible assets	<b>15,567</b>	12,672	<b>45,251</b>	38,414
(Gain) loss on sale of land and buildings	<b>17</b>	(3,167)	<b>162</b>	(6,566)
Gain on sale of assets held for sale	<b>(70,115)</b>	-	<b>(78,534)</b>	-
Impairment of intangible assets	-	-	<b>142,981</b>	-
<b>Adjusted EBITDA from continuing operations</b>	<b>128,193</b>	113,791	<b>383,464</b>	314,408

**Adjusted EBITDA margin** is calculated as a percentage of revenue before fuel surcharge.

**Free cash flow from continuing operations:** Net cash from operating activities from continuing operations less additions to property and equipment plus proceeds from sale of property and equipment and assets held for sale. Management believes that this measure provides a benchmark to evaluate the performance of the Company in regard to its ability to meet capital requirements. See reconciliation on page 15.

**Free cash flow from continuing operations per share:** Free cash flow from continuing operations divided by the weighted average number of common shares.

**Operating expenses:** Operating expenses, as defined in the unaudited condensed consolidated interim financial statements.

**Operating income (loss):** Net income or loss from continuing operations before finance income and costs, income tax expense, gain or loss on sale of land and buildings and assets held for sale, and impairment of intangible assets, as stated in the unaudited condensed consolidated interim financial statements.

**Operating margin** is calculated as a percentage of revenue before fuel surcharge.

**Operating ratio:** Operating expenses, net of fuel surcharge revenue, divided by revenue before fuel surcharge. Although the operating ratio is not a recognized financial measure defined by IFRS, it is a widely recognized measure in the transportation industry, which we believe provides a comparable benchmark for evaluating the Company's performance. Also, to facilitate the comparison of business level activity and operating costs between periods, the Company compares the revenue before fuel surcharge ("revenue") and reallocates the fuel surcharge revenue to materials and services expenses within operating expenses.

<i>(unaudited)</i> <i>(in thousands of dollars)</i>	Third quarters ended September 30		Nine months ended September 30	
	2017	2016	2017	2016
Operating expenses	<b>1,093,896</b>	906,203	<b>3,381,594</b>	2,707,926
Fuel surcharge revenue	<b>(106,258)</b>	(78,012)	<b>(335,715)</b>	(219,432)
Operating expenses, net of fuel surcharge revenue	<b>987,638</b>	828,191	<b>3,045,879</b>	2,488,494
Revenue before fuel surcharge	<b>1,048,185</b>	897,448	<b>3,222,833</b>	2,668,042
Operating ratio	<b>94.2%</b>	92.3%	<b>94.5%</b>	93.3%

## RISKS AND UNCERTAINTIES

The Company's future results may be affected by a number of factors over some of which the Company has little or no control. The following issues, uncertainties and risks, among others, should be considered in evaluating the Company's business and growth outlook, for which more detailed information can be found in the December 31, 2016 MD&A:

- Competition;

- Regulation;
- International Operations;
- Operating Environment;
- General Economic, Credit, Business and Regulatory Conditions;
- Interest Rate Fluctuations;
- Currency Fluctuations;
- Price and Availability of Fuel;

- Insurance;
- Employee and Company's Labour Relations;
- Drivers;
- Acquisitions and Integration Risks;
- Environmental Matters;
- Environmental Contamination;
- Key Personnel;
- Dependence on Third Parties;
- Loan Default;
- Credit Facilities;
- Customer and Credit Risks;
- Availability of Capital;
- Information Systems;
- Litigation.

No changes affected the above-mentioned risk factors.

## CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions about future events. These estimates and the underlying assumptions affect the reported amounts of assets and liabilities, the disclosures about contingent assets and liabilities, and the reported amounts of revenues and expenses. Such estimates include the valuation of accounts receivable, goodwill, intangible assets, identified assets and liabilities acquired in business combinations, other long-lived assets, income taxes, site restoration obligations and pension obligations. These estimates and assumptions are based on management's best estimates and judgments.

Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, which management believes to be reasonable under the circumstances. Management adjusts such estimates and assumptions when facts and circumstances dictate. Actual results could differ from these estimates. Changes in those estimates and assumptions are recognized in the period in which the estimates are revised.

## CHANGES IN ACCOUNTING POLICIES

### Adopted during the period

The following new standards, and amendments to standards and interpretations, are effective for the first time for interim periods beginning on or after January 1, 2017 and have been applied in preparing the unaudited condensed consolidated interim financial statements:

Disclosure Initiative: Amendments to IAS 7

Recognition of Deferred Tax Assets for Unrealized Losses:  
Amendments to IAS 12

Annual Improvements to IFRS Standards (2014-2016 cycle)

These new standards did not have a significant impact on the Company's unaudited condensed consolidated interim financial statements.

### To be adopted in future periods

The following new standards and amendments to standards are not yet effective for the year ended December 31, 2017, and have not been applied in preparing the unaudited condensed consolidated interim financial statements:

IFRS 15, Revenue from Contracts with Customers

IFRS 16, Leases

Classification and Measurement of Share-based Payment  
Transactions: Amendments to IFRS 2

IFRIC 22, Foreign Currency Transactions and Advance  
Consideration

IFRIC 23, Uncertainty over Income Tax Treatments

Further information can be found in note 3 of the September 30, 2017 unaudited condensed consolidated interim financial statements.

## CONTROLS AND PROCEDURES

### Disclosure controls and procedures ("DC&P")

The President and Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), have designed DC&P, or have caused them to be designed under their supervision, in order to provide reasonable assurance that:

- material information relating to the Company is made known to the CEO and CFO by others, particularly during the period in which the interim and annual filings are being prepared; and
- information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.

### Internal controls over financial reporting ("ICFR")

The CEO and CFO have also designed ICFR, or have caused them to be designed under their supervision, in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The control framework used to design the Company's ICFR is based on the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) on Internal Control – Integrated Framework (2013 framework).

### Changes in internal controls over financial reporting

No changes were made to the Company's ICFR during the quarter ended September 30, 2017 that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.